

USAID'S EXPERIENCE CONDUCTING DEVELOPMENT  
PROGRAMS WITH LIMITED FIELD MISSION PRESENCE

by Bradshaw Langmaid  
May 12, 1996

## PREFACE

This report was requested by the Advisory Committee on Voluntary Foreign Aid (ACVFA) to: (1) inform it on the mechanisms USAID has used to carry out development activities through PVOs and NGOs in countries in which USAID had only modest, or no staff presence, and (2) draw from that experience any lessons that may be relevant to the current situation in which USAID may again need to reduce its field presence.

Five days were provided to undertake this study so the conclusions are based on a general review rather than on an indepth analysis of each situation. The resources of CDIE were used along with over forty interviews, in person or by phone, with USAID officials, past and present, and PVO officials. I am indebted to the staff of CDIE and BHR/PVC for their support and to all those who shared their thoughts with me. The interpretation and conclusions drawn from this wealth of personal observations is my responsibility. I must also apologize for not talking to others who also had direct knowledge of particular cases. A number of professionals devoted their careers to these programs but it was possible to give that experience full justice.

## EXECUTIVE SUMMARY

Since the 1960's the full service field mission and "hands-on" program management have been USAID's preferred means of delivering foreign assistance. However, there has always been an extensive array of assistance programs in countries either with no USAID mission or with only minimum USAID presence.

Many of these programs have operated in the most difficult of developmental environments and frequently in political and security situations with limited official U.S. presence. Some have been in situations where the U.S. deliberately sought not to work through the national authority. The U.S. PVO community has been the principal delivery mechanism of developmental and humanitarian assistance in these conditions. It has done so with great effectiveness.

In longer term, development situations USAID has also had a variety of country, regional and global programs which used less frequent and more geographically distant management approaches.

No one approach is demonstrably better than another. Success has been greatest where the approach is tailored to the problem being addressed, the strengths and needs of the developing country and the capacity of the program implementors.

The lessons derived from the models discussed in this paper suggest that several factors are particularly important for success. Implementation appears to be most successful when:

- 0 There is consensus on program outcomes and the strategy to achieve those outcomes which is owned by all participants. The more distant USAID's management is from the developmental process, the more important

-2-

this partnership and the process of building and renewing consensus becomes. This is best accomplished through a truly joint strategic analysis and program design process.

- 0 The initial consensus is regularly renewed by a disciplined coordination process. The more implementors that are involved, and the more dynamic

the development situation, the more important this team building and coordination becomes. Having a common workplan, reporting and evaluation system, with the responsibilities and outcomes for each implementor identified, is especially important.

- 0 Grants are used as implementing instruments. This is necessary since reduced oversight means that greater responsibility must be given to field implementors to make the in-country adjustments needed to achieve the agreed development results. The corporate values and vision of implementors increase in importance as selection criteria because they are what will guide their field staff absent the "hands-on" program management which USAID missions provide.
- 0 High priority is accorded to institution building, indigenous ownership, and sustainability. This is best accomplished by local participation in the design process and greater use of local experts in implementation.

The principal concerns of USAID staff in this new environment are that policy influence, program coordination, strategic direction and program accountability will suffer in the absence of resident Direct Hire (DH) field staff. These are legitimate concerns. They need to and can be addressed through the joint planning envisioned by USAID's reengineered programming system.

As USAID completes or substantially reduces its assistance relationship with a number of countries, it should give priority to building the private institutional

-3-

strength and relationships that will sustain the development of democratic civil society and open market economies.

The U.S. PVO community has enormous assets to help USAID in this transition process. They are value driven development implementors. Their grassroots planning process builds consensus. They have extensive field presence, and many have foreign affiliates and partners that are already important participants in the process of building civil society. Their management style is cost effective and emphasizes participation by local professionals and institutions. They have particular competence in building low cost sustainable institutions because that is where many have their corporate roots.

The U.S. PVO institutional and management strengths make them especially suited to pick up the development administration and implementation load in those countries in which USAID either is reducing its presence significantly or will no longer have a field presence.

## INTRODUCTION

This is a brief survey of USAID's experience in working in countries where there was either no USAID direct hire presence or a very limited presence. Part I outlines the various ways in which USAID has operated without in-country missions support. Part II draws some lessons from this experience. Part III discusses some of the issues that will need to be addressed as USAID significantly reduces its field presence and the number of full service USAID missions.

### Part I: USAID's Experience

One of the many advantages of USAID's decentralized field based programming process is that over the years it has spawned a variety of management approaches to the challenge of delivering development assistance. USAID's emphasis on tailoring its development programs to unique country or regional situations and the frequently changing legislative and administrative controls on what, where, and how USAID can deliver assistance have stimulated extraordinary creativity in the design and management of development programs.

USAID has always had scarce management and program resources relative to development needs. It has always faced choices on where to place field staff and how to manage development programs. The USAID portfolio has always included a combination of mission, regionally, and globally managed programs. There have always been mission provided, regional, and global services.

However, there is a difference in scope and pace between then and now. The resource limitations USAID now faces require completing programs before the objectives originally meant for them have been accomplished. The management options now under consideration do not fit comfortably with USAID's hands-on project management culture. USAID will need to look at other ways of assuring the ground-truthing, program coherence and strategic direction which the field mission has been depended upon to provide.

### Assistance Completion Graduation Models

As USAID is now contemplating another significant curtailment of bilateral assistance programs it is logical to look first at the various graduation models.

The history of completing assistance relationships is mixed. Dating at least from the Taiwan and Korea periods there has been interest in continuing some form of relationship which symbolized the ties built during the assistance period. The theory was that as the income of a USAID recipient rose it could share more of the costs of USAID's program and eventually the relationship would be self-sustaining.

In Taiwan, USAID provided a concessional loan for limited continuing access to U.S. technical assistance and feasibility studies. Korea received a grant for a scientific institute.

A more recent model is the Luso-American Development Foundation. Its goal is to promote economic and social development in Portugal by encouraging cooperation between Portugal and the United States in the fields of science, technology, culture, education and commerce. The Foundation was funded through an endowment provided by the Government of Portugal but generated by Economic Support Fund grants as part of a base rights agreement. The Luso-American Foundation was established as a private entity under Portuguese law. The Foundation had a board which set the basic policies and the annual budget. The Board had nine members two of which were appointed by the U.S. Ambassador and the others by the Government of Portugal. The Foundation was free to invest its endowment funds and as a consequence the original \$38 million grant has grown to well over a hundred million dollars. The Foundation favors project submissions that promote cooperation among Portuguese organizations and between Portuguese and U.S. institutions. However, over time, not surprisingly the U.S. influence and binational character has diminished.

The success of this Foundation is in its endowment which has enabled it to prosper as a new Portuguese NGO making grants to support Portugal's development. This funding arrangement is unlikely to be available from current budgets. The American character of the Foundation has gradually declined. It does not seem to have been a catalyst for developing sustainable relationships between U.S. and Portuguese institutions and organizations.

The U.S.-Thailand partnership was designed around common U.S.-Thai interests in a number of development areas and the desire to sustain working relationships in these areas past the time when the USAID program was to be completed. The partnership envisioned a transition from a traditional donor relationship to graduation over a five year period. It involved \$20 million for 25 strategic partnerships. An additional \$150 to \$300 million was anticipated from nonpartnership resources as investments in projects facilitated by the partnership. Here, bilateral funding was to come from annual appropriations. However, this funding could not be sustained at a level to fully implement the program.

An endowment approach was also used with Israel in several technical areas and extensively in Central America. In Central America the endowments supported institutions in particular technical areas. Examples include the Foundation for Agricultural Development in Ecuador, the Honduras Agricultural Research Foundation and the Superior Institute of Agriculture in the Dominican Republic. There are also some private models that received public "seed" capital such as the Asia Foundation, East West Center, Pan American Foundation, and the African Development Foundation.

Joint commissions are another approach that have been used. The U.S. Spain Joint Commission was of limited duration and was funded by a very specific base rights-related Economic Support Fund grant. The U.S. Omani Joint Commission is a unique organizational structure. It involves a joint U.S. and Omani staffed institution to administer the USAID program and not a USAID mission. It also was ESF funded. In many respects it operated more like a traditional USAID mission although the joint structure facilitated gradual transfer over time to greater Omani management.

These models receive attention because there are so few cases of such planned graduation. However, none are good models for the current situation. Foundations require endowments. The original funding needs to be large enough to generate an income stream to support the Foundation's activities. The Luso-American Foundation succeeded, at least financially, because of an earmarked ESF grant. The other foundations used resources from various local currency accounts both U.S. owned and counterpart which had been generated through earlier USAID programs. These resources are no longer available.



It is unlikely that in today's budget environment USAID will have the dollar appropriated funds to support a graduation related endowment approach. However, in specific situations and technical areas the endowment concept may be relevant if there are special sources of local currency resources (such as through Debt for Development) that might be used.

In some respects these models sought to capture the government to government character of the assistance programs of their period. As the governmental interest waned so did the vitality of the institution.

It is as important now as it was when these approaches were first discussed to ensure that the investments USAID has made in the human and institutional capital of developing countries are not diminished by the way the assistance relationship is completed. However, as public funding will not be available, the approach should not try to replicate a government to government relationship. Greater attention should be given to private institutional arrangements where resource requirements can be met, in time, through the shared value the partners give to continuing the relationship. In some cases these relationships may need continuing technical assistance and training support, but this is a far less costly and more sustainable approach.

### Country Program Models

These examples cover situations where USAID attempts to implement its traditional country programming approach with little or no direct hire field presence. Usually the programs are more limited than those where USAID maintains a field staff. These examples are relevant to the current situation in which there would be a declining USAID field presence and to those situations where USAID may be completing its bilateral program but still wishes to work with a country in a few developmental areas.

#### No Field Presence

The most notable examples are the emergency, humanitarian and political programs where for a variety of reasons there was either no U.S. official presence or relatively limited official presence. In some cases, USAID was prevented by law from having a government to government relationship. In other cases the political or security situation was limiting. In a further set of examples, the U.S. did not recognize the authority of the government in

power, but wanted to address pressing human needs. In these cases, the U.S. PVO community provided program leadership, demonstrating its programmatic as well as managerial capacity to operate effectively in the most difficult situations. Examples of these program models include USAID's development activities in the West Bank/Gaza, Lebanon, Cyprus, Chile, Cambodia, Haiti, Nicaragua, El Salvador, Angola and Eastern Europe and the countries of the former Soviet Union before the U.S. established full diplomatic presence, to mention only a few. The current humanitarian assistance program for the Kurds in northern Iraq illustrates the humanitarian model. There are many further examples of it in Africa when military strife has subverted development.

There are several common themes in these programs. They were very political. They were predominately implemented by PVOs in an environment in which they (the PVOs), in effect represented United States Government interests.

The U.S. had important interests in these situations. Those interests were focused on a limited set of program outcomes. The PVO implementors largely shared U.S. interests and program outcomes. This congruence of interests remained intact for extended periods.

Accountability and management were carried out effectively by the PVOs and there was good coordination between the PVOs and the official U.S. presence. In most cases, there was some coordinating link to the Embassy or to local employees of USAID. Where there was no Embassy coordination was provided locally by the PVOs. Official liaison was through an interest section or outside-the-country representation.

In the case of the program supporting the Kurds, there is an OFDA DART team of PSCs that provides coordination. In the West Bank/Gaza program, USAID funded a very small local staff and some coordination was provided by the U.S. Consulate staff in Jerusalem. In Lebanon the program continued, even though all U.S. staff had been evacuated, through the extraordinary efforts of the PVO implementors and the few remaining Lebanese USAID employees. In most cases, the program support for these activities shifted to Washington rather than to other regional offices. In most of these cases, the level of assistance was politically determined and earmarked from special funds. PVOs operated successfully in these environments because of their relationship built up over the years with local groups,

institutions and in some cases local offices or affiliates. The partnerships were in place and an accommodation with local authority to permit program implementation was feasible. Program implementation under these arrangements did not convey the degree of official "recognition" usually associated with a regular bilateral program. The essence of these programs was people to people, in which U.S PVOs excel.

Programs of these types will be required in the future when new political tension or conflicts arise. They have relevance for the current situation in that they demonstrate the extraordinary flexibility and responsiveness of the PVO community and its capacity to implement programs effectively in even the most difficult and sensitive political security environments. In these special, emergency environments the U.S. PVO community is a unique resource, frequently the only institutional resource acceptable to all sides and capable of responding quickly to urgent needs.

#### Long Term Development Models

In these program models, USAID is still implementing a long term development strategy using its customary country programming methodology except that it has chosen to manage the programs from a distance. Grantees and contractors are implementing USAID designed and approved projects (strategic objectives) within a USAID-developed country strategy. The implementation tasks are more varied with both intermediate and longer-term goals. There may be activities in several sectors. Policy issues continue to be an important part of these programs.

The management modalities USAID has used to implement long term development activities in these country situations is even more varied than those outlined above to address political, humanitarian or emergency situations. There are regional staff approaches, satellite missions, regional projects, USAID rep programs and global programs. There is not always a sharp line between these. In any one country, at any one time, several of these approaches may be used to implement a country program. The totality of USAID's program in a particular country could involve an ASHA Grant, several global projects, regional training projects, some bilateral activities managed by a regional office, and possibly even a housing guarantee administered by a RHUDO. Management is dispersed as is sometime the programmatic vision. For these approaches to be successful

it is especially important that there is a strategic consensus and effective coordination.

The REDSO's, REDSO/East Africa and REDSO/West Africa, are probably USAID's longest running regional offices. They provide a core of technical staff. The USAID Affairs Officers, USAID Mission and USAID REPS can draw on these resources for their bilateral projects. The REDSO may manage bilateral and regional activities in a country where there is not a USAID representative, such as REDSO/East's responsibility for the Seychelles and Mauritania programs. REDSOs provide technical and management support for those countries programs in the REDSO's geographic area as well as support service to the missions. NGO activities operating in areas served by REDSO's will be dealing with the REDSO staff as well as the local mission staff.

There is nothing unique about this model. Over time it has come to be an effective regional approach. It is a management compromise in the face of declining resources. Management oversight and technical liaison is at somewhat greater distance than might be the case in a mission serviced country. REDSO knowledge of local conditions might be less than that which one would expect from a mission presence. In many cases, the organization implementing the program will have more intimate knowledge of local conditions than would the REDSO staffs with which they work. Coordination is more complex. Washington staff is likely to be more involved than would be the case with a fully delegated country mission.

The Botswana regional office is now taking on some of the attributes of a REDSO. However, it appears to be more like a regional center for managing country programs than a technical service center. The RED office in Bangkok and the regional office managing South Pacific programs are other examples of this management modality.

Another variation of this model is satellite mission management, i.e. a situation in which a country mission manages a country program or the residual aspects of a country program in a neighboring country. An example is when Liberia took over responsibility for the Sierra Leone program. There are other cases in Africa where on a short term basis a mission director has in effect been accredited to several countries concurrently and managed their programs with his or her mission staff.

A subset of this model which is even more common is where a portion of a mission staff provides regional

services. This is quite common in financial management and control and legal services as the general counsel and controllers in most missions service several countries. It also has been used in technical areas where a mission may have a particularly strong cadre in one or more sectors.

The pressures that led to these approaches are the same that USAID faces today, namely, declining OE and staff resources which necessitates doubling up on functions and country responsibilities. All these models are felt to be less satisfactory than full service missions inasmuch as less staff time is available to project development and project management. USAID staff familiarity with local conditions particularly in dynamic situations is more limited. In addition, as the number of management players increases, coordination is increasingly difficult. Frequently, it is not clear who has responsibility for a particular country program's strategic direction and oversight. The priority needs of the country program may not always be the same as those of the office providing managerial or technical support for the program. There is also a tendency for the agenda in nonmission countries to be driven by the interests of the various offices involved.

#### USAID REP Models

There are many examples of important country programs being implemented with a USAID REP. Brazil and Mexico are probably the most striking cases, but similar arrangements were used in Chile, Paraguay, Colombia, Cyprus, Lebanon and, at different times, many African countries.

In Brazil, a multisector program was administered effectively with one direct hire, a U.S. PSC and seven local employees. The program involved ten cooperating agencies working in the population area, a major AIDS program administered from the local office of a not-for-profit organization, and direct grants for environmental programs. Policy dialogue was important with support provided by a U.S. PVO. Contract and controller support was provided from a neighboring mission and technical support and training from other regional LAC and Global Bureau activities.

Brazil is a good example of how a creative USAID Representative can knit together an effective country program drawing on a variety of resources and management offices. Most of the administrative and management workload of the program was handled by Washington offices, and the Representative was free to focus attention on

policy issues, strategic direction and overall program coordination.

These are the areas which most USAID staff feel are the primary reasons for having mission presence. The Brazil model shows that major program initiatives can be undertaken in a country without burdening that mission with the program's administration. In the next few years, the Brazil model is likely to become more common.

These long term development models are also compromises. They represent an effort to preserve USAID's traditional country strategy/programming approach and "hand-on" management style in an environment in which there were fewer DH "hands" to manage the process and implement the programs. DH surrogates personal services contractors, become an increasingly important. All of these no DH presence and limited DH presence models had PSC staffs. As the limited DH staff became increasingly burdened with process management, PSC's, project contractors and grantees were asked to take on more strategic analysis and project coordination roles. Grants became more frequent as they require less DH management involvement than do contracts and are less process intensive.

#### Global and Regional Program Models

As USAID's staff resources and particularly its technical resources declined, regional and global programs have increased in number and size. In many areas they have the capacity to manage activities with no regional staffs. Many Food for Peace and other centrally funded programs operate in countries where there is either no or very limited field staff. Most regional bureaus have had regional training activities as well as a range of technical support umbrella projects. In training, there are a range of activities that need to be performed in country, but in some cases these have been performed by the Fulbright Commission, contractors, or grantees.

In the Population, Child survival and AIDS areas, the Global Bureau has developed a network of contractors and cooperating grantees which can design, develop, and implement projects in their particular technical areas with either no or very limited field mission participation. They employ a team management approach which ensures a coordinated program development process among various technical contractors and cooperating grantees, close coordination with the regional bureaus and the embassy staff as appropriate in the countries concerned and ongoing

coordination among the implementors. The Office of Population in the Global Bureau has probably the most refined and tested approach. It will be discussed in more detail below.

USAID's Housing Guarantee and Urban Development programs have for years been implemented through a very effective central staff office with a limited number of regional offices. Technical and analytical support was provided by contractors and grantees who operated within a tightly reasoned, sharply focused sector strategy.

The ASHA program is another model requiring limited DH staff. Four professional Washington staff administer a program of grants to overseas schools and hospitals which have a \$50 million pipeline. It makes on average 30 new grants a year. An important feature of this program has been the development of a standardized reporting system which reduces overall reporting workload and focuses on progress against expected outcomes and more limited financial reporting on transactions.

The PVO matching grant program offers another example wherein project management does not rely on field mission support. It also operates within defined sector standards and objectives. It is especially interesting inasmuch as USAID gets field management and some program resources, in effect, for free.

Some global and regional program models are simply a further evolution of the regional service center approach with service functions consolidated even further in a more limited number of region-wide or global technical service support programs.

Other programs in Population, Child survival, AIDS, housing and urban development are sector initiatives with specific global objectives against which country programs requirements are measured. As USAID program resources decline it will be increasingly important that: (1) they be used where they make a country difference, and (2) the country's efforts contribute significantly to finite global objectives.

#### Some Examples of Relevance to PVOs

Within the above broad categories, there are four program examples that offer models of particular relevance to USAID and the PVO community as USAID restructures its overseas presence.

The Africa Bureau is now operating a small country programs office in Washington which implements programs in Sierra Leone, the CAR, the Congo, Equatorial Guinea and Mauritania. The programs involve core activities of training and short term technical assistance plus, in some cases, a one strategic objective program. PVOs play an important part in implementing this program through both regional activities and Global Bureau buy-ins. In some areas the embassy plays a coordinating role and in others a local implementor has played this role. (Further information on this model is attached, A).

This example preserves USAID country programming methodology with very limited field presence. The problems most frequently cited are difficulties in providing overall strategic direction to the programs, undertaking policy dialogue and ensuring effective accountability when there are severe limitations on travel by USAID Washington employees.

Travel is a recurring concern in regional as well as globally managed projects. With the reduction in operating expenses, travel funds have been cut even more and few project managers visit their project sites even annually. This problem has led to even greater use of PSCs, Fellows, and cooperating agencies to provide strategic program oversight and in-country coordination.

The Central Africa Regional Project for the Environment (CARPE) is another Africa model. This is a six-country natural resource management project that involves contracts, cooperative agreements, and grants. In none of the countries does USAID have a field presence, and in several of the countries USAID is barred legislatively from working with the government. The funding is provided in an umbrella arrangement in which all the implementors participate in the detailed project design and operate under a coordination arrangement which is led in this case by a Global Bureau contractor.

This is a new project and one of the first projects being designed with the new reengineering approaches specifically in mind. It is being designed by the project implementors with the only conditions being that as they come to agreement on the approaches to be taken they become policy advocates of that approach vis a vis the host country institutions with which they are working. Considerable emphasis and energy is devoted to coordination at the headquarters level and in the field. The



implementing organizations are also expected to serve as mentoring organizations with their field counterparts. As parts of the program are being implemented through buy-ins to global activities, a partnership arrangement has developed between the Africa Bureau and the Global Bureau. In this case, two U.S. PVOs, WRI and WWF, are key members. They were already operating in the area and had established agreements with the respective host governments which enable them to be mentors and sponsors of other PVOs.

Unfortunately, the program is being reduced from its originally planned \$26 million to \$15 million. This has forced a cut in the resources for a regional office and the elimination of the Cameroon and Zaire components. The German GED may well start work in these two countries and become part of the overall program. This illustrates the flexibility of this approach to leverage additional resources but it is also likely to compound the coordinating difficulties. At present, field coordination is through two local employees in Libneville, a grant coordinator and a policy advisor.

This is a new program, one in which some activities are still being developed and the team building process is still underway. However, it offers a program approach that may be particularly useful in areas such as the environment where the problem being addressed is regional. In addition, in this technical area, USAID's resources are more limited than they are in some other areas and they are more dependent upon the private professional community, particularly PVOs. Consequently, the kind of collaborative partnership in design, coordination, and implementation is particularly appropriate. This is an early example of an implementor-led design process. If it builds a sustaining consensus between USAID and the program implementors on program strategy and outcomes it would be an excellent model for future regional and bilateral programs.

The Office of Population's program in Turkey is a multimillion dollar program which has involved as many as thirteen cooperating agencies. There are now seven cooperating agencies, five cooperative agreements, and two contracts. Executive direction of the program is by the Office of Population, but it operates under an overall master plan/strategy to which all the participants have agreed. This involves formal MOUs between the Office of Population and the regional bureaus in USAID and State as well as the Embassy. There is a unified annual workplan and quarterly policy and workplan reviews. In Turkey, one of the cooperating agencies has the responsibility for

coordinating with the others. In an interlocking arrangement, the others have requirements in their grants or contracts that they coordinate effectively with this coordinating agency. In addition, there are standard reporting formats which reinforce effective coordination. As there is no USAID mission in Turkey and a previous USAID agreement with the Turkish Government had expired, the project implementors negotiated a MOU with the Government of Turkey that provides duty-free status for project commodities and related project activities.

The formal components of this program have been in place for three years so there is a record of implementation and program effectiveness on which to judge the overall success of the program. A key ingredient of the program's success is the strong Washington policy leadership. In the Office of Population each senior officer is assigned responsibility for one or more countries. There is also an agreed country strategy to which all the participants, State and USAID as well as the implementors, have agreed.

This model has been successful. It is very relevant to other technical areas that have focussed on strategic objectives and project implementors with a history of joint program and cooperation. Some of its program documentation as well as a more general discussion of global program models, is attached, B.

#### A Project Model

Lastly, there is a model which is more narrow in scope. However, it may have particular relevance to graduate country situations inasmuch as it directly addresses the issue of building sustainable relationships between U.S. and developing country institutions.

This is a University Linkage program that began several years ago as a competitive grants program to those university and other educational institutions which were prepared to develop joint programs in technical areas of priority to USAID. A specific grant award criterion is that the partnerships have a high probability of being sustainable due to the mutual interests and commitment of all partners.

The program involves small grants usually less than \$300,000 for no more than five years. It is now three years old and there are 41 linkage agreements in 29 countries. The program began as an educational

institution-to-educational institution activity. However, the emphasis on sustainability and development relevance and not simply academic achievement has driven it into partnerships with PVOs, industry and local governments.

Because of funding limitations, the program is now funded from mission buy-ins. Nevertheless, it operates independently of mission management. Its strategic objective is to enable developing country institutions to build relationships of development importance to them with U.S. institutions in those areas in which the interest of the U.S. and the developing country institution is sufficiently strong that the relationship will continue on a sustainable basis once the USAID grant is completed. In this sense, it has already anticipated USAID phasing out in a number of countries in which USAID had invested substantially in a range of educational and research institutional relationships.

While this project is aimed at university-to-university relationships, the concept would be equally applicable to other forms of institutional relationships. As increasing emphasis is given to building a democratic pluralistic civil society and addressing problems of regional importance, the relationships and linkages which U.S. PVOs have developed with indigenous PVOs are increasingly important. They need to be sustained when the formal bilateral USAID relationship ends.

Some PVOs like IPPF, Save the Children Partners, and Child Reach already operate as part of a global or regional network with local affiliates in developing countries. Other PVOs have equally important, albeit less formal, relationships with counterpart institutions. Maintaining the structure of these relationships on a sustainable basis should be a high priority of USAID's transition planning.

This brief survey of USAID's experience does not begin to cover all of the examples. What it does indicate is that USAID has a wealth of experience conducting successful development programs in complex development environments where there has been no USAID mission presence or only limited presence. As USAID begins to develop transitional strategies to operate with even a more limited field staff, the most successful of these models should guide its planning.

The models are management and program compromises - a necessary accommodation of USAID country programming, "hands-on" program management style to a continuing decline

in direct hire staff and the operating expenses with which to apply that staff. As the traditional functions of a field presence can no longer be provided by DH staff, USAID will need to look to program implementors that can best fulfill these field functions. As USAID management oversight becomes more "arms length" geographically it will depend upon its program implementors to make the kind of in course adjustments and corrections in a program for which DH field staff had been traditionally responsible.

A consensus between USAID and its implementors on project strategy and objectives has always been important. However, it will now be increasingly important that implementors also have the institutional commitment and corporate values that enable it to make the day to day decisions and adjustment in program implementation that keep a program on course without USAID DH participation. This degree of institutional consensus is difficult to achieve. Experience would suggest it also require joint design, clear objectives and structured approach to coordination, annual workplanning and progress reporting.

## Part II - Lessons Learned

U.S. PVOs have undertaken and effectively implemented development programs in situations where there is little or no USAID DH field presence in all the situations summarized above. In emergency and other special situations where there is not or we do not choose to have a governmental relationship, U.S. PVOs are a unique, invaluable resource. In more stable developmental environments, they have been equally effective program implementors.

As USAID must significantly reduce its field presence it is useful to look at the developmental and managerial benefits ascribed to that DH presence and the degree to which U.S. PVOs could meet USAID's needs in this changed program environment.

In October 1992, USAID/CDIE completed a year long study on USAID's in-country presence. This Assessment found that USAID's present system of significant in-country presence had two chief advantages for delivering economic and developmental assistance: influence and program accountability. The assessment also identified several disadvantages of a significant in-country presence, including a tendency toward a heavy handed paternalistic approach to design and implementation that inhibits ownership of activities by the recipients and slows their

maturation and ability to handle their own affairs; an excessive use of American technical experts even when qualified local experts are available; a diffusion of program activities; and inconsistent interpretation of rules and regulations. It concluded that a significant number of overseas staff did not contribute directly to the identified advantages of in-country presence despite their full-time and often overtime occupation with meaningful work.

The Assessment recommended identifying and designating more advanced developing countries and subjecting them to appropriate downsizing of in-country presence while adjusting the assistance program portfolio to one that can be managed by the host country with minimum monitoring by USAID.

The Report also identified two overarching concerns. It felt USAID should develop transitional strategies for all countries receiving assistance and USAID should make greater use of indigenous technical and managerial expertise as part of the transitional process. It found that USAID missions neither planned for diminishing their level of participation nor worked toward the day when USAID can withdraw. The Report concluded that the present high degree of Mission oversight slows the rate at which a recipient country develops the skills and capacity to manage its development resources and increases the risks of establishing and perpetuating a dependency - not only on external resources but also on external management of those resources.

These are only a few of the findings and recommendations in a very extensive study. The full study is relevant to USAID's current situation. It is worth noting that when this study was prepared, USAID had 82 bilateral country organizations, 12 offices for multicountry programs, 2 offices for multicountry services, and 6 development assistance coordination and representational offices. Now only a few years later, USAID is considering reducing its overseas presence to only 25 to 30 full development missions and probably in total half the 1992 level of overseas organizations.

U.S. PVOs implementing programs in countries where there is a limited USAID presence have the capacity to provide USAID many of the advantages that the Assessment ascribes to USAID DH field staff.

The Assessment identified the following

characteristics of "influence": understanding local conditions; having political and cultural sensitivity; enjoying ready access to host country officials; maintaining sustained day-to-day involvement; setting a good example; addressing politically sensitive issues; and keeping development on the U.S. government agenda.

These characteristics could have as easily been used to describe the strengths of U.S. PVOs. In fact, USAID is already heavily dependent on the PVO field staff for insight on local conditions and dynamics. PVO roots in local communities may provide a program perspective which is more reliable than that gained from "official" contacts. PVO extensive use of local staff and local contractors ensures a high degree of local sensitivity and cultural acceptability.

Keeping development on the U.S. government agenda is one area in which PVOs may have limitations. It may require a degree of regular access to country team and U.S. government deliberations which PVOs do not have. However, the influence they can have on the U.S. official representatives in the country as well as USAID, the Department of State and other foreign affairs agencies has on occasion been significant.

As used in the Assessment, accountability includes considerably more than simply financial accountability. The concept includes consideration of the quality of program and project implementation, regular program review, husbandry of resources, delegation of authorities, awareness of the performance reality, prompt decision making, resolution of misunderstandings and miscommunications, and institutional continuity.

The record of PVO performance as development program managers suggests strength in all these areas. PVO programs pay special attention to issues of sustainability, the transfer of responsibility to local institutions, and enhancing the full utilization of local staff in the management of their programs as well as the staffing of their offices. PVO programs and overseas offices are tightly staffed and make especially effective use of local national employees as implementors.

USAID direct hire (DH) field staff bring their own professional skills and corporate values to the process and a different perspective to the situation if only by virtue of where they sit. USAID DH overseas staff provide another

layer of program oversight. Layers of program oversight can add value but there are rapidly diminishing returns. If USAID sees value in having some degree of arms length perspective on the program in countries where there is no DH field staff to rely upon, it might consider using other less costly mechanisms such as external advisory panels or focus groups as part of its project management structure in some situations.

USAID staff now charged with implementing effective development programs with even further reduced overseas staff had similar concerns. The two most frequently raised were: (1) ensuring effective coordination and, (2) providing overall policy influence and strategic direction.

Coordination is a continuing concern in all assistance programs whether they are implemented with a full mission staff or in a country where there is no USAID presence. As USAID has gone to larger and more diversified programs with multiple implementors coordination has required more of a project manager's attention.

The models discussed above used a range of modalities to ensure effective coordination. The lessons are that program objectives need to be clear. There needs to be joint ownership of the objectives. There needs to be a joint process for reaching consensus. A workplan needs to be developed as well as a system for coordinating effectively. This needs to be agreed to by all participants before the program is implemented. Coordinating systems need to be in place in the field and in Washington among all concerned offices and implementors. If there are several implementors under a consortium arrangement, an umbrella grant, a prime/sub or any combination of these, the responsibilities of the respective organizations need to be clear and these responsibilities need to fit the interest and capabilities of that implementor. Having standard reporting formats to which all the implementors contribute can be a helpful device in this regard. When these mechanical devices are paired with effective team building coordination is effective and not a heavy management burden. USAID's reengineered programming system, particularly its emphasis on joint planning is well suited to address these lessons directly.

The more diverse the implementing activities the more difficult coordination becomes. A single strategic objective (SO) has its own internal coherence. However, a program with two disparate SOs does not. Coordination in

this situation will be more forced. The dynamics of two SOs moving in different directions will be difficult to accommodate. In this situation oversight from a distance, be it from a regional office or from USAID Washington, may not be sufficient to ensure effective program implementation. A DH or PSC who is outside the process and has the capacity to arbitrate may be needed.

USAID staff's concern with strategic direction takes into account the capacity to pursue a policy agenda, ensure strategic focus and anticipate new strategic issues.

Program implementation staff in nonmission countries may not have the same access as USAID DH employees to senior government officials and senior embassy officials to ensure continuous policy dialogue. However, policy change can be effective when it comes from the staff of host country institutions. In this bottom up approach, NGOs can be especially effective on policy issues. They also can access a wide range of experts, frequently of global reputation, with which to conduct policy dialogue at senior levels. As USAID's resources decline it will have to pursue less ambitious policy agenda, with the World Bank or donor groups playing a bigger role. PVOs can provide staff support for this process and have done so in the environment and other issue areas, but sustained leadership will be needed from a major donor.

Many PVOs do not have large analytical staffs concerned with major policy changes and the overall strategic direction of a program. Nevertheless there are a number of examples where PVOs have marshalled those resources quite effectively. This requirement and the resources to implement it could easily be included as a program element.

Finally, perhaps to state the obvious, there is no single model for effective programs in countries in which there is no USAID presence. Each needs to be tailored to the individual institutional and developmental capacity of the local environment. While the management principles discussed above are common, the capacities of local institutions, the adequacy of their policy framework, and the skills of their human resources vary dramatically as does the political and cultural environment in which they work. The programs and the coordinating mechanisms need to be hand-tailored to these situations. This tailored design needs to be done collaboratively, involving USAID and the concerned grantees so there is joint ownership of the



results to be expected as well as the actions agreed upon to achieve those results.

USAID's programming system has a tendency to over promise results, underestimate costs, and underestimate the time it takes to accomplish those results. Stressing mission ownership has sought to bring greater realism to the process. With no mission presence, this discipline is lost. In this environment a joint planning process will be even more critical to program success. There must be a shared vision on the post mission objectives and the sustainability of post USAID relationships.

### Part III - Some Conclusions and Current Issues

USAID is undertaking a significant redesign of its development programs and field staffs to manage those programs not because the needs of the developing countries have dramatically improved but because USAID's resources to meet those needs have been significantly reduced. It must marshall these limited resources and perform, in effect, a developmental and managerial triage in deciding which of the needs require the greatest application of program and managerial resources.

USAID has already indicated that the number of full missions with broad sustainability objectives will be reduced to between 25 and 30. These are likely to be posts with three or more strategic objectives, an array of USAID analytical resources in country, and both bilateral and regional program approaches.

There is likely to be another group of countries with more limited programs. These might fit the existing USAID REP structure with up to five U.S. direct-hire staff and no more than two strategic objectives. Both bilateral and regional approaches could be used. This subgroup could include countries with developmental and/or humanitarian programs.

A third category are those countries in which USAID does not plan a mission presence. This group may include situations in which the development environment does not permit an effective assistance program, where the program does not require a field presence, or situations where other donors are likely to be more effective. In some of these countries but not all there may be residual bilateral or regional programs.

In this category are field missions slated for rapid close-out, those in a transition mode with an established assistance completion date, and nonpresence countries with a limited program, particularly in those strategic areas which are important to a regional or global objective. The decisions about which countries fall into which categories and the timeline needed to accomplish the various program adjustments are now being reviewed within USAID.

A program realignment of this size cannot be accomplished by marginal staff reassignments. The changes planned call for a further reduction in overseas staffing and necessitate a parallel reassessment of the functional alignments between Washington and the field. While this study of core functions is just getting underway, it is likely to result in a realignment of some functions to Washington, regional staffs, or to local employees. This is the only way significant operating expenses can be saved. The completion of this study is as urgent as is the completion of the country decisions. It will have an important bearing on the kinds of skills and management systems which program implementers will need to provide given the changes they are likely to face in the support received from regional and mission staff.

Unfortunately, the pace at which USAID will make the transition from its current field management structure and field-Washington management relationships to new field structures and field-Washington management relationships is likely to be hurried and chaotic. This is unavoidable. Many governments and the other institutions with which USAID works are probably already anticipating some change in the level of resources afforded them. They probably are already planning or even implementing plans to counter USAID's proposals, adjust to the new realities, or a little of both. Relative certainty and constancy in a development relationship has now been replaced by uncertainty and instability. This phase of a development relationship needs to be transited quickly because it can be very destructive. Country and functional decisions will establish some of the parameters for this transition. Its success will depend on the process by which a new consensus on development goals is reached between USAID, its developing country partners, and the program implementors. A consistent lesson from USAID's experience with programs undertaken in countries with limited U.S. direct hire presence is that success depends upon the degree to which the development vision is shared and all concerned have ownership of the program objectives.

A major cross-cutting recommendation of the USAID In-Country Presence: An Assessment was that the transition and transfer of management and accountability responsibilities from donor to recipient institutions should be a major goal and part of Mission program strategies and implementation plans. There should be follow through to the project level by making this an explicit part of project purpose, design and implementation. This recommendation was not addressed only to missions contemplating phase out. It was meant for all missions regardless of the development condition of the countries in which they worked. Implementation of this recommendation is now even more urgent.

The draft Core Report of the New Partnership Initiative focuses on strengthening civil society and helping to restructure the relationships between states and civil societies. It sets as a goal building sustainable indigenous institutional capacity. Assistance programs must not only eradicate poverty. They must build the capacity within countries to sustain their own growth and become full partners in a global community of free markets and free societies. This report recommends beginning now to structure the relationship the U.S. hopes to continue when countries graduate - supporting U.S. organizations, NGOs, small business associations and local governments, and their counterparts in developing countries. The strategy involves grassroots capacity building, improving the enabling environment, and expanded linkages and development partnerships. As recognized in the draft Core Report the partners must be involved from the very start of the process, with setting of the initial goals.

The NPI is both a strategic approach and a method of program design and implementation. As USAID restructures its field program it should address directly the need for sustainable civil institutions which can support continued economic growth and democratic governance. This should be an important component of the transition planning guidance given to missions.

The emphasis in the Core Report on strengthening the private civil society should be given even added weight in the transition planning process. USAID has contributed importantly to building government ministries and public institutions in the developing world. However, it is unlikely to have the resources to sustain these relationships far into the future. Other federal agencies with responsibility in these technical areas need to begin to participate in this process and help define the kind of

relationship that they value and would sustain post-USAID. USAID's priorities should shift to building the linkages in the private civil society which are unlikely to find a comparable sponsorship.

USAID also needs to look carefully at the modalities it uses to implement programs in these new circumstances. Grants are likely to be far more appropriate and effective than contracts. Contracts anticipate, in fact require, hands on direction by the contractee. This direction can be given from a distance when the service being provided is relatively uniform and can be sharply defined, as when one is dealing with a measurable product. This contractor relationship is less effective in a dynamic environment and "hands-on" direction is less accessible. In these circumstances one must rely on the strategic consensus reached in the design process and the degree to which the implementors now have a vested corporate interest in the program's success.

Contract management is also considerably more staff intensive. The soon to be completed evaluation of the AIDSCAP project illustrates the workload and program implications of contract versus grant management. It is particularly informative because the program design envisioned providing global services sector wide in countries with missions as well as those with little or no field presence.

These organizational and programmatic changes are occurring simultaneously with a major reconstructing of the agency's programming methodology. There is a renewed effort to establish clearly defined results objectives and developing contracting/grant systems which can hold implementors accountable for the accomplishment of the agreed developmental result. Given the dynamics of development in most countries and the dramatic reductions in USAID's program resources, there is as yet little experience with these results frameworks. The new agency programming system suggest a partnership between the agency and its program implementors. The specific responsibilities and resources required to implement those responsibilities need to be more clearly defined. This cannot be done in abstract. To be effective it needs to be tailored country by country, development objective by development objective.

The strong emphasis on open collaborative program development and team building in the reengineered programming system is well suited to the new situation.

The development of program teams in Washington and the field involving the concerned USAID staff and their development collaborators needs to begin now.

The NGO community along with its partners in the field can be extraordinarily helpful in building a new development consensus in these countries. It has the experience in working in countries with minimum field presence. In most of the countries which face a transition, it has a field presence which can compensate for USAID's transition. The concerns frequently raised by USAID staff with coordination, with policy dialogue and strategic direction can be addressed through effective team building. There are clear examples in the regional and global programs discussed in Part I of how effective coordination can be assured and policy content can be designed into collaborative PVO programs.

Finally, in those countries in which USAID no longer has a mission, there still may be a need for some degree of representational presence. However, the dimensions or priority of that need is not clear. By accrediting a mission director to several countries a degree of circuit riding representation can be provided. However, as these countries are likely to have specific completion dates for those programs which are continuing, it may not be desirable to continue a representational role which will feed expectations of additional assistance past the planned termination dates.

Given the dynamics of most developing countries, plans developed this year for a particular situation could require significant redirection or even termination and new plans initiated in another development sector. USAID needs the capacity to understand these changes and anticipate their consequences. However, this is not a role that can be delegated solely to a program implementor. Program implementors working in one strategic area or even two strategic areas may be capable of providing some degree of strategic alert. They are unlikely to have the resources, nor would it be cost effective to provide them the resources on a continuing basis, to generate the kind of indepth analysis to anticipate these changed circumstances.

Given USAID's resource limitations, the kind of strategic oversight probably needs to be provided either by Washington or by one of the remaining full missions by giving it a limited regional oversight responsibility. This could be done without significantly increasing the management burden on that mission or confusing the

management relationships of the programs in the countries without field missions.

Finally, there are limits on the degree of official U.S. representation a program implementor can undertake. Some of these limits are established by the implementors themselves who feel strongly that the privateness of their organization cannot be compromised. While as grantees they represent the American people and USAID to the extent spelled out in their grant agreement, they are not official agents of USAID and would not wish to take on that additional role. There are also OMB directives which spell out what are inherently governmental functions which cannot be undertaken by contractors or grantees. That list of functions is appended to this report (attachment C). If USAID feels there are a range of functions greater than or different from those historically provided by its program implementors, both contractor and grantee, it needs to delineate those functions and outline how they would be implemented.

#### Attachments

- A. Africa Bureau Small Country Strategy
- B. Joint Programming and Planning Country Strategy
- C. Inherently Governmental Functions

USAID'S EXPERIENCE CONDUCTING DEVELOPMENT  
PROGRAMS WITH LIMITED FIELD MISSION PRESENCE

by Bradshaw Langmaid  
May 12, 1996